



**BOYS & GIRLS CLUBS
OF AMERICA**

**Comments for the record
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**House Ways and Means Subcommittee on Human Resources
“State TANF Spending and Its Impact on Work
Requirements”**

May 29, 2012

Chairman Davis, Ranking Member Doggett, and distinguished members of the Sub-committee. Thank you for the opportunity to provide comments on the impact of State TANF spending on TANF work requirements.

I am the Senior Director, Government Relations, Boys & Girls Clubs of America, a youth development organization that serves nearly 4 Million school age children annually in some 4,000 locations.

My work of over 24 years is dedicated to helping our Clubs serve the youth in our country so each and every young person can be productive, responsible and caring citizens of our great country. For over 140 years, Clubs across America have focused on the kids who need us the most and that is exemplified by the 198 Clubs located on Native American Land and the 316 Clubs located in Public Housing across the country.

I wish to offer insight from my work with our Clubs in regard to State partnerships to serve TANF eligible youth and their families. It is estimated that nearly 65% of all youth our Clubs serve across this country meet the eligibility requirements for TANF.

Individual Clubs as well as Clubs working together in states have numerous contracts with state government and the corresponding Agencies to provide necessary and vital services to TANF eligible youth as well as support TANF eligible families.

TANF state spending requirements created during the welfare reform act of 1996, known as “Maintenance of Effort” or “MOE” as well the ability of a state to count third-party spending toward MOE requirements is of particular importance to the work of our Clubs. The positive impact on the goals of TANF when done properly can ultimately provide a model that maximizes the role third-party MOE match plays in a public – private partnership.

When states have incentives to maximize MOE with little or no regard for accountability to the validity of how that particular third-party is directly related to eligible TANF recipients and/or how the third-party spends its money, the states and our federal leadership has missed the mark.

Positive examples of how states can bring direct service providers to the table with contracts for services that require meaningful cash match towards the contracted services creates an environment of private industry investing in the goals and focus of TANF.

Example:

In one state, our Clubs are awarded a contract for afterschool services for school age children (documented as TANF eligible). This contract has a requirement for us to provide MOE. We view this partnership and this contract as a great success in carrying out the true meaning of TANF funding. Not because it feeds into excess MOE for the state to decrease Work Participation Rate (WPR) or cut out their general fund support, but because it is a solid business model for effective and efficient use of public funds.

1. The children have a quality program to attend afterschool and in the summer while their parent(s) are at work, school, job training etc. They are kept off the streets and out of trouble. High school graduation rates are improved and children are encouraged to continue their education.
2. If a 3:1 Match is agreed upon, the TANF funds put in .25 cents on the dollar. The other .75 cents is raised by the Clubs – private, non-federal funds that leverage individuals, corporations and foundations to partner to reach our most vulnerable youth and families.
3. Over 90% of the entire match is cash. Yes – real money that is going back into the communities to serve TANF youth and their families.
4. Programmatic implementation is cost effective with proven results and evidence based programs with measured outcomes.

TANF Reauthorization and the decisions that need to be made concerning WPR, Supplemental Funds, Contingency Funds, and Total Block Grant funding are crucial to the youth and families we serve. It is so important that states are given the opportunity to make these individual decisions through Block Grant funding. Your current hearings are of great importance for the future of our Clubs and the families they serve concerning Third Party and MOE. I use a simple analogy – do not throw the baby out with the bath water. Public / Private partnership and Third Party Match is an effective way to maximize limited resources and leverage non-government support...

Conclusion / Recommendations:

MOE is not just about WPR. Fix the part that is broken – impose tighter controls on extreme examples of un-related Third Party Match on un-contracted services with a state. Do not restrict MOE to government spending by eliminating third-party spending. The leveraging of private funds to maximize limited public funds is absolutely necessary to help our young people become productive, tax paying citizens.

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